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SUBJECT: UNCTAD Working Party on the Budget

**¶11. SUMMARY:** The United Nations Conference for Trade and Development (UNCTAD) Working Party met June 8-12 in Geneva to discuss UNCTAD's draft program budget for the 2010-2011 biennium. The budget fascicle was presented along with the results of a survey UNCTAD conducted on the quality of its publications. While several of the suggested changes in UNCTAD's strategic framework that the Working Party made when it last met in January were taken into account, the suggested change from the African countries (a presentation of the new commodities unit as if it were a subprogram in the strategic framework) was rejected by the budget office in NY. This incensed the Africans. The regular budget resource level allocated to UNCTAD for the 2010-2011 biennium amounted to USD 136 million - a 2.2 percent increase - and 12 new posts were created under the development pillar. END SUMMARY

#### PUBLICATIONS SURVEY

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**¶12.** The UNCTAD secretariat presented the results of a recent survey of their publications, which it was required to do by the Accra Accord. UNCTAD was very happy with both the response rate and the ratings of the publications.

**¶13.** The United States thanked UNCTAD for this first effort to survey its publications but expressed concern that the response rate was so low as to be statistically insignificant. The US made several specific requests to improve future surveys and their usefulness. The US comments were supported by Japan and the EU, and captured in the agreed conclusions which mandated: "The working party requests the secretariat to continue to improve the usefulness and quality of the readership survey by, inter alia, improving the survey's questions, expanding the survey to cover more UNCTAD publications, and adding to the survey results the number of each publication printed, whether or not the survey results are statistically significant, as well as the range of responses and the mode."

#### PROBLEMS WITH THE BUDGET FASCICLE

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**¶14.** Delegates unanimously expressed dissatisfaction with the late release of the budget fascicle, which was only given to delegates the morning of the first meeting instead of the previous week. Furthermore, the budget was only available in English, and included many discrepancies. In paragraph 1 of the agreed conclusions, the Working Party asked the UNCTAD Secretariat to be aware of this issue in the future, and to ensure that documents are available in a timely manner.

**¶15.** Delegates were concerned that some suggestions they made at the January Working Party were not taken into account in the updated version of the strategic framework, and urged the competent bodies of the UNGA to reflect those recommendations in paragraph 3. The UNCTAD secretariat explained that recommendations were usually not taken into account after the GA accepts a budget in NY, which they did in December of 2008. Delegates further recommended in paragraph

4 that the UNCTAD secretariat should take into account budget-related meetings and deadlines when scheduling the Working Party meetings so the Working Party can contribute more efficiently to formulation of the budget.

#### 12 NEW POSTS ALLOCATED TO UNCTAD'S DEVELOPMENT PILLAR

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¶6. Delegates requested that the SG of UNCTAD distribute the 12 new posts in a manner that would contribute to south-south cooperation, and geographic and gender balance in UNCTAD's staffing.

¶7. The Working Party further requested that the new resources for the development pillar should be used to strengthen the program of assistance to the Palestinian people in accordance with paragraph 44 of the Accra Accord. This agreed conclusion was contentious. Initially Iran refused to accept reference to paragraph 44 of the Accra Accord. Iran said that while it had joined consensus on the Accra Accord, it didn't support all the contents of paragraph 44 and didn't want reference made to that paragraph. The US supported Israel in refusing to have a paragraph about assistance to the Palestinian people in the meeting's agreed conclusions without referring back to the agreed paragraph from the Accra Accord.

#### TECHNICAL SERVICES UNIT

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¶8. The US proposed that within the draft budget, resources be reallocated to provide regular budget funding for the technical assistance unit within UNCTAD. The G-77 was unwilling to make such a clear statement, but did recognize the validity of the US concern that fundraising for technical assistance and transparency in utilization of those resources is a core UNCTAD function. The Working Party highlighted that the SG should ensure that the technical assistance unit remains fully staffed and has adequate resources.

#### RESOURCES FOR AFRICA, LDC'S, AND SPECIAL PROGRAMS

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¶9. In accordance with paragraph 41 of the Accra Accord, the Working Party sought to ensure adequate funding for the 2010-2011 biennium for the Division for Africa, LDC's and Special Programs , as currently the Division must rely on voluntary contributions to produce even its two flagship publications (namely, the annual Africa and LDC reports).

¶10. The delegates requested that the SG of UNCTAD ensure greater coordination between subprograms 1, 2, 3, 4, and 5, and the Africa, LDCs and Special Programs subprogram, and that the SG produce a report enumerating the regular budget and extra-budget activities of each subprogram in favor of Africa.

¶11. (Background: The Africa et al subprogram receives a smaller budget than the other subprograms since the other subprograms are supposed to do work on Africa and LDCs in their areas of expertise and coordinate their work with the Division for Africa, LDCs and Special Programs. In practice this rarely happens. The Africans, LDC and special program countries complain that they do not feel their countries are given priority, but there are no statistics showing regular budget expenditures by country to confirm their feelings. The UN Budget does not break down expenditures by geographical regions, such as expenditures on Africa-related issues, but rather by type of expenditure, such as travel. The U.S. has both initiated and supported African efforts to get more of UNCTAD's budget allocated to Africa and LDC-related work. End Background)

#### FINANCING FOR EXPERTS FROM LDC'S

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¶12. Currently only Turkey, Switzerland, and India have donated funds to finance the participation of experts from developing countries. While expressing their appreciation to these donors, delegates from G-77 requested additional donor countries to similarly contribute funds.

#### COMMENT

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¶13. The UNCTAD Working Party provides a unique opportunity for member states to influence formation of part of the UN's regular budget. However, for the Working Party to exercise that influence, the UNCTAD Secretariat must schedule Working Party meetings before budget decision meetings in NY. Delegations from all geographical regions agreed that it is valuable for member states to provide advice on the formation of the UN budget and chastised the UNCTAD Secretariat for not doing a better job scheduling the Working Party meetings.

¶14. Despite delegates clear desire to make the Working Party more effective and relevant, the Working Party has trouble prioritizing, so often its agreed conclusions are so watered down as to provide only minimal guidance. For example, although all countries have agreed that Africa and LDCs need more aid, UNCTAD delegates from Asia and Latin America are unwilling to reallocate resources within the budget to satisfy that need. Instead, the G-77 proposes strong language asking for additional resources for everything, which the U.S. opposes. The agreed conclusion requiring the UNCTAD SG to enumerate regular budget activities of each subprogram in favor of Africa represents a break-through, since it should provide the necessary data to convince delegates and the UNCTAD Secretariat to allocate more resources for the neediest countries.

¶15. Were the Working Party to become more effective at prioritizing its work, the Working Party could guide greater member state input to the UN regular budget from subject experts. The UNCTAD effort to track regular budget expenditures by country potentially could be a model for great transparency in the UN regular budget. In this light, the U.S. should continue to participate actively in the Working Party meetings and continue to coordinate with budget experts at USUN in NY.

¶16. Allocation of resources in UNCTAD creates tension in the G-77 block, where the wealthier developing countries and particularly Asia heavily influence the UNCTAD agenda. Since it is a contentious issue, G-77 often tries to avoid it. The U.S. has been, and should continue to be, outspoken in advocating for the neediest countries and fulfillment of the UNCTAD mandate to make those countries a priority. This effort is not only useful on its own merits but has inspired delegates from Africa and LDCs to speak out more on issues that concern them, including expressing some support for good governance, an issue the Asian block tends to oppose in UNCTAD.

GRIFFITHS #